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REPORT OF

THE GOVERNOR OF ARIZONA

TO THE SECRETARY OF THE INTERIOR

FOR THE FISCAL YEAR
ENDED JUNE 30
1907

WASHINGTON: GOVERNMENT PRINTING OFFICE: 1907

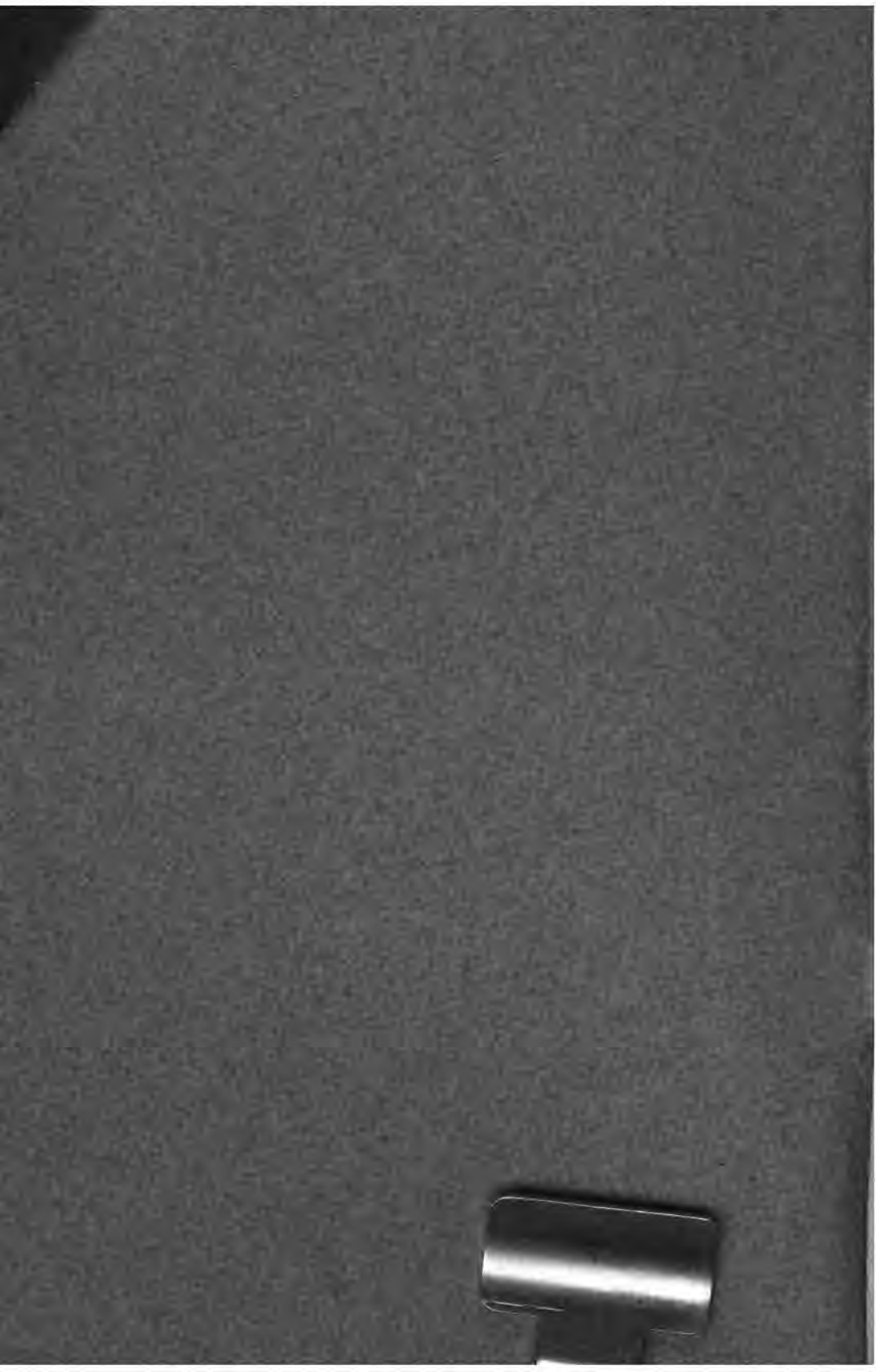

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ILLUSTRATION.

Map of Arizona ..... At end.

REPORT OF THE GOVERNOR OF ARIZONA.

OFFICE OF THE GOVERNOR,
Phoenix, Ariz., September 19, 1907.

SIR: In compliance with your instructions of June 29, 1907, I have the honor to submit a report of the affairs and of the progress and development of the Territory of Arizona, for the fiscal year ending June 30, 1907. In some details developments subsequent to the close of the fiscal year are included.

INTRODUCTION.

The last year was, undoubtedly, the most prosperous the Territory has ever known. The leading industries are mining, farming (or, as it is termed in the West, ranching), and stock raising, and good fortune attended each. The production of copper is the leading feature of the mineral industry, and the extraordinarily high price of this metal throughout the year had its good influence in every locality. The supply of water for irrigation was good, and most crops yielded an attractive profit. High prices for cattle, sheep, horses, hogs, and wool made all branches of the live-stock industry exceptionally profitable. Many of the towns exhibited a remarkable growth. The value of farm lands advanced everywhere, and many ranches in the Salt River Valley were sold at advances of more than 100 per cent over the figures at which they were held a year previously.

POPULATION.

The present population of Arizona will, I think, approximate 185,000. This includes Indians to the number of about 26,000.

IMMIGRATION.

Statistics of immigration to Arizona for last year are not at hand, but it is known that most of the foreign immigration comes from Mexico. What proportion of these Mexican immigrants remain here permanently it is impossible to say. They are passing to and fro all the time between Sonora and Arizona. The high wages in the mines and smelters, in railroad work, and on the ranches and ranges tempt them to leave the Mexican States, for a time at least. Many of them work a few months and return to Mexico, but numbers stay from year to year. Mexicans of this class are, of course, without fixed habitation.

Foreign immigrants are usually of the laboring class, and among them there are considerable numbers of Slavonians, Austrians, and Italians, all of whom usually go to work in the mines.

FINANCIAL CONDITION OF THE TERRITORY.

RECEIPTS AND DISBURSEMENTS.

It has been my privilege each year to report the financial condition of the Territory as better than ever before, and I have again to repeat this statement. On June 30, 1907, the cash in the treasury amounted to $365,015.65, against $279,197.60 on June 30, 1906. The latter sum was the high-water mark at the time.

The large amount of cash on hand does not indicate that money from taxes accumulates in the treasury in great excess of the public needs. Were that true, a very large cash balance would, of course, be hurtful to the public interests. Fixed expenditures and special appropriations made by the late legislature will during the year absorb to a large extent the funds on hand and the funds to come in; but it is true, nevertheless, that a considerable surplus will undoubtedly be carried by the treasurer into the next fiscal year. The money in the treasury is not actually withdrawn from circulation, because so far as practicable the public money is deposited in banks in the communities from which the funds were originally withdrawn by taxation.

Receipts and disbursements for the year ended June 30, 1907.

RECEIPTS.

General fund	$161,223.07
Agricultural College fund	25,000.00
Asylum for Insane fund	3,623.70
Asylum for Insane interest fund	1,149.04
Capitol building fund	2,521.39
Capitol interest fund	5,733.73
Interest fund	133,671.48
Industrial School fund	25,688.07
License and inspection fund	13,976.10
Northern Arizona Normal School fund	17,063.40
Northern Arizona Normal Dormitory fund	8,524.69
Prison fund	80,732.61
Ranger fund	28,433.27
Redemption Asylum bonds	524.85
Redemption World's Fair bonds	547.31
Tempe Normal School fund	51,277.89
Tempe Normal School building fund	31,771.20
Territorial school fund	49,926.92
University fund	34,247.74
University interest	2,843.28
University interest, act 47, 1903	966.54
Forest reserve, school, and road fund	7,940.50
Total	687,386.78

DISBURSEMENTS.

General fund	$127,950.56
Agricultural College fund	25,000.00
Asylum for Insane fund	27,519.41
Asylum building fund	169.74
Asylum for Insane interest fund	1,000.00
Capitol building fund	7,393.00
Capitol interest fund	4,925.00
Expense treasurer's office	270.23
Interest fund	139,769.13
Industrial School fund	24,433.07

Receipts and disbursements for the year ended June 30, 1907—Continued.

DISBURSEMENTS—continued.

License and inspection fund	$12,716.57
Northern Arizona Normal School fund	12,762.55
Northern Arizona Normal Dormitory fund	4,590.62
Prison fund	65,912.53
Prison improvement fund	255.19
Ranger fund	20,729.57
Tempe Normal School fund	36,344.47
Tempe Normal School building fund	2,844.80
Territorial school fund	47,313.90
University fund	29,927.89
University interest	1,250.00
University interest, act 47, 1903	550.00
Forest reserve, school, and road fund	7,940.50
Total	601,568.73

The Territorial treasurer is authorized by law to deposit public funds in the banks of the Territory, the bank in each case being required to furnish bonds to insure the Territory against loss. The law requires the banks to pay interest at the rate of not less than 1 per cent per annum on their balances of public funds, and the treasurer requires them to pay 2 per cent. The average amount of Territorial funds on deposit during the last fiscal year was $314,355.02. At the close of the year the funds on deposit were as stated below:

Territorial funds on deposit June 30, 1907.

The Bank of Arizona, of Prescott, Ariz	$77,025.12
First National Bank of Bisbee	24,151.60
Phoenix National Bank	12,634.67
The National Bank of Arizona, of Phoenix, Ariz	14,005.67
The Valley Bank of Phoenix, Ariz	4,060.85
Prescott National Bank, of Prescott, Ariz	20,153.95
The Bank of Bisbee, of Bisbee, Ariz	20,398.20
Miners and Merchants' Bank, of Bisbee, Ariz	26,952.80
Navajo County Bank, of Winslow, Ariz	15,166.60
The Gila Valley Bank and Trust Company, of Solomonville	40,575.02
Mesa City Bank, of Mesa, Ariz	5,037.10
First National Bank of Globe	20,117.77
The Bank of Benson, Benson, Ariz	190.03
The Guaranty Trust Company, of New York, N. Y	67,603.26
United States Mortgage and Trust Company, of New York, N. Y	75.00
Bank of California	420.00
Southern Arizona Bank and Trust Company, Tucson	16,448.01
Total	365,015.65

TERRITORIAL DEBT.

The debt of the Territory remains the same as stated in my report of last year ($3,123,275.29), no new bonds having been issued.

Under a special law the Territory was authorized to issue its bonds in the sum of $20,000 yearly for improvements at the Asylum for the Insane, and was also authorized to issue bonds in a large amount for improvements at the Territorial prison; but careful consideration of the financial condition of the Territory has led me each year to decline to issue bonds for these purposes. It seemed to me unwise for the Territory to incur a bonded debt for improvements when the current revenues could be made ample for the same ends. Upon stating my conclusions to the late legislature upon this topic, that body made the necessary direct appropriations, as elsewhere noted.

The legislature in March last made provisions for a tax levy to retire at maturity bonds to the amount of $78,000, which will be due in 1913. I regret to state, however, that no further provision was made by the legislature for the retirement of the Territorial debt at its various periods of maturity. It is particularly regretable in view of the excellent financial condition of the Territory and the manifest ability of our people to pay the debt as it matures without incurring any onerous burden.

Bonded debt of Territory on June 30, 1907.

Date of bond issue.	Account on which bonds were issued.	Maturity.	Interest rate.	Amount.
		Years.	*Per cent.*	
Jan. 15, 1888	Territorial indebtedness	25	6	$78,000.00
July 1, 1892	Territorial exhibit at World's Fair	20	5	30,000.00
July 15, 1892	Territorial, county, and city indebtedness	20-50	5	2,000,000.00
Jan. 15, 1896	Territorial and county indebtedness	20-50	5	300,000.00
June 1, 1898	Construction capitol building	20-50	5	100,000.00
Jan. 2, 1902	Improvements University of Arizona	20	5	25,000.00
Jan. 1, 1903	Territorial exhibit Louisiana Purchase Exposition	20	5	30,000.00
Jan. 15, 1903	Matured bonds, Territory and counties	20-50	5	92,000.00
Do	Judgment indebtedness Pima County railroad bonds	20-50	3	318,275.29
Jan. 1, 1904	Improvements Asylum for the Insane	20-50	5	20,000.00
July 15, 1904	Matured bonds, Territory and counties	20-50	5	94,000.00
Mar. 1, 1905	Expenses University Experiment Station	10-20	5	11,000.00
Jan. 15, 1906	Matured bonds of Pima County	20-50	4	25,000.00
	Total bonds outstanding			3,123,275.29
	City and county indebtedness, funded			2,100,302.86
	Net Territorial debt			1,022,972.43

Bonded county, city, and Territorial debt, segregated.

Apache County	$43,473.50	Yuma County	$88,791.11
Coconino County	159,000.99	Prescott city	91,261.90
Graham County	147,364.70	Tucson city	27,423.71
Gila County	44,781.36	Tombstone city	13,812.38
Maricopa County	281,636.43	Navajo County	38,000.00
Mohave County	105,363.29	Santa Cruz County	31,000.00
Pima County	553,515.34	Territorial indebtedness	1,022,972.43
Pinal County	136,138.08		
Yavapai County	338,740.07	Total	3,123,275.29

TAXES.

The Territorial tax rate remains the same as last year, 75 cents on each $100 of assessed valuation, notwithstanding the fact that the late legislature made extraordinary appropriations, amounting to more than $320,000, all of which are to be expended during the present and the following fiscal year, and most of which must be raised by special tax levies. These extra appropriations were for improvements at Territorial institutions, including $120,000 for the new penitentiary.

The fact that the Territory is able to provide for these extraordinary outlays without increasing the tax rate is proof of a great change for the better in financial conditions within the last four years. Only four years ago the legislature deemed it necessary to order an issue of Territorial bonds in order to meet a projected outlay of $11,000 for the university. At that time the tax rate was 20 cents higher than

it is now. This improvement is due of course to the enormous increase in the aggregate assessment roll of the Territory.

The rate of taxation in the several counties for local purposes—county government, county improvements, and interest on that portion of the public debt which is of local origin—continues in most cases to decrease, as shown by the accompanying comparative statement.

Rate of taxation in the several counties, inclusive of the Territorial tax.

County.	Total tax per $100.			County.	Total tax per $100.		
	1905.	1906.	1907.		1905.	1906.	1907.
Apache	$4.00	$3.75	$3.70	Navajo	$3.95	$3.50	$3.30
Cochise	2.90	2.65	2.00	Pima	3.25	2.85	2.80
Coconino	2.90	2.50	2.27	Pinal	3.75	3.50	3.50
Gila	3.25	3.22	3.50	Santa Cruz	3.95	3.70	3.80
Graham	3.75	2.50	1.92	Yavapai	4.00	3.00	2.50
Maricopa	2.50	2.10	2.15	Yuma	4.50	3.50	3.60
Mohave	4.00	4.00	3.80				

Territorial tax levy for 1907.

	Per $100
1. General fund, paragraph 3831, Revised Statutes 1901	$0.076
2. Interest World's Fair bonds, act 103, laws 1891	.002
3. Sinking fund, redemption World's Fair bonds, act 103, laws 1891	.0075
4. Interest, St. Louis Exposition bonds, act 86, laws 1901	.002
5. Asylum for the Insane interest fund, act 73, laws 1903	.001
6. Capitol interest fund, act 9, laws 1897	.005
7. Interest fund, paragraph 2047, organic law of Arizona	.07
8. Six per cent funding bond redemption fund, chapter 100, section 14, laws 1907	.0175
9. Asylum for the Insane fund, chapter 100, section 1, laws 1907	.06
10. Asylum for the Insane improvement fund, chapter 101, section 1, laws 1907	.034
11. Territorial Industrial School fund, chapter 100, section 2, laws 1907	.034
12. Territorial Industrial School improvement fund, chapter 101, section 2, laws 1907	.012
13. Prison fund, chapter 100, section 4, laws 1907	.0735
14. Prison building fund, chapter 97, section 6, laws 1907	.08
15. Ranger fund, chapter 100, section 15, laws 1907	.034
16. Territorial school fund, chapter 67, section 6, laws 1907	.03
17. Tempe Normal School fund, chapter 100, section 6, laws 1907	.054
18. Tempe Normal School building fund, chapter 101, section 4, laws 1907	.04
19. Northern Arizona Normal School fund, chapter 100, section 8, laws 1907	.0235
20. Northern Arizona Normal School dormitory fund, chapter 101, section 3, laws 1907	.0235
21. University fund, chapter 100, section 10, laws 1907	.044
22. University building fund, chapter 101, section 5, laws 1907	.0265
Total Territorial tax levy	.7500

TAXABLE PROPERTY.

The Territorial board of equalization at its annual meeting in August found the aggregate value of the property on the assessment roll to be $77,705,251.11. It was necessary to deduct from this amount the sum of $333,095 on account of exemptions from taxation granted to widows and orphans entitled to exemption under the law, thus leaving property to the value of $77,372,156.11 subject to taxa-

tion. The classification of this property and its distribution by counties will be found in the tables following.

The taxable basis this year is far larger than ever before, being greater by $15,144,522.57 than last year, when it was $62,227,633.54.

Summary of assessed valuation by general classifications.

Land and improvements	$9,479,303.98
All mining property	20,904,201.11
Town and city lots and improvements	19,034,639.95
All live stock	6,127,025.50
Railroads	11,012,004.57
All other property	11,148,076.00
Total valuation	77,705,251.11
Exemptions	333,095.00
Subject to taxation	77,372,156.11

Aggregate valuation of each class of property.

1,539,395.27 acres cultivated and uncultivated land	$6,433,125.54
Improvements	1,715,871.25
2,100,545.69 acres railroad land grants	939,043.24
Improvements	1,700.00
548,261 acres other land grants	378,813.95
Improvements	10,750.00
940 productive patented and unpatented mines and mining claims	13,463,569.63
Improvements	2,040,694.00
2,915 nonproductive patented mines	2,341,624.00
Improvements	686,344.00
Improvements on nonproductive unpatented mining claims	385,105.48
Smelters (not included in improvements on mines and mining claims as classified above)	1,986,864.00
Town and city lots	9,213,459.20
Improvements	9,821,180.75
40 banks	1,601,207.00
14,769 horses, range	164,879.00
13,462 horses, work	514,230.00
10,107 horses, saddle	239,836.00
130 horses, stallions	18,115.00
1,842 mules	72,809.00
2,426 asses	20,792.00
322,650 cattle, range and stock	3,322,636.00
2,914 cattle, beef	56,252.00
11,066 cattle, milch cows	290,699.00
2,406 cattle, bulls	64,814.00
3,801 calves	19,005.00
516,172 sheep	1,114,555.50
68,135 goats	134,952.00
3,696 swine	13,466.00
8,123 stands of bees	12,285.00
1,354 ostriches	67,700.00
988.88 miles railroad, main line	8,937,904.50
386.734 miles railroad, main line (estimated)	2,074,100.07
All other property	9,546,869.00
Total valuation	77,705,251.11
Exemptions	333,095.00
Subject to taxation	77,372,156.11

Total valuation by counties for the year 1907.

Apache County	$1,070,827.91
Cochise County	20,739,715.55
Coconino County	3,808,059.09
Gila County	4,797,387.28
Graham County	7,576,943.12
Maricopa County	13,414,572.40
Mohave County	1,641,181.84
Navajo County	1,715,728.06
Pima County	6,916,973.48
Pinal County	2,096,228.01
Santa Cruz County	$1,641,414.34
Yavapai County	9,722,166.77
Yuma County	2,564,053.26
Total valuation	77,705,251.11
Exemptions	333,095.00
Subject to taxation	77,372,156.11

Final valuation placed on railroad property for the year 1907.

Company.	Miles.	Rate per mile.	Valuation.
Southern Pacific	392.5	$13,000.00	$5,102,500.00
El Paso and Southwestern	86.3	11,000.00	949,300.00
Gila Valley, Globe and Northern	125.55	7,500.00	941,625.00
Maricopa and Phoenix and Salt River Valley	42.51	6,250.00	265,687.50
Arizona and New Mexico	40	6,250.00	250,000.00
New Mexico and Arizona	87.80	5,500.00	482,900.00
United Verde and Pacific	27.3	5,000.00	136,500.00
Morenci Southern	18	5,000.00	90,000.00
Grand Canyon	66.45	7,000.00	465,150.00
Western Arizona	21.57	3,600.00	77,652.00
Arizona Copper Co. (Limited) (Coronado R. R.)	7.5	2,500.00	18,750.00
Congress Consolidated Mines Co. (Limited)	3.6	2,500.00	9,000.00
Arizona and Colorado	15.8	2,000.00	31,600.00
Central Arizona	18	2,000.00	36,000.00
Saginaw and Manistee Lumber Co.	8	2,000.00	16,000.00
Cananea, Yaqui River and Pacific			2,700.00
Twin Buttes	28	2,330.00	65,240.00
Total	988.88		8,940,604.50
Less Cananea, Yaqui River and Pacific (real estate assessed by county)			2,700.00
Total assessment on railroads			8,937,904.50
The Pullman Company			100,484.38
Atchison, Topeka and Santa Fe Railway Co. (estimated)	386.734		2,074,100.07
Total valuation railroad property	1,875.614		11,112,488.95

Valuation of railroads which are exempt from taxation by Territorial statute or for which rate of taxation is fixed by act of Congress.

Company.	Miles.	Rate per mile.	Valuation.
Atchison, Topeka and Santa Fe	386.734	$13,000.00	$5,027,542.00
El Paso and Southwestern	59.3	11,000.00	652,300.00
Santa Fe, Prescott and Phoenix	195.27	9,000.00	1,757,430.00
Prescott and Eastern	26.4	6,000.00	158,400.00
Arizona Southern	18.4	6,000.00	110,400.00
Bradshaw Mountain	35.65	5,500.00	196,075.00
Phoenix and Eastern	95.261	5,000.00	476,305.00
Arizona and California	78.58	4,500.00	353,610.00
Total	895.595		8,732,062.00
Less estimated taxable valuation of Atchison, Topeka and Santa Fe Railway Co.			2,074,100.07
Net valuation			6,657,961.93

PENAL AND CHARITABLE INSTITUTIONS.

The penal and charitable institutions of the Territory—the Territorial Prison, the Industrial School, and the Asylum for the Insane—are under the general management of the board of control, there being a superintendent and staff of employees for each institution. The

board of control consists of the governor, the Territorial auditor, and a "citizen member," who is secretary of the board. Under the law not more than two members of the board may be of the same political party, and it is the established practice for the governor to appoint the "citizen member" from the leading political party that is opposed to the executive.

TERRITORIAL PRISON.

The Territorial prison, which is situated at Yuma, is more overcrowded than ever this year, owing to the steadily increasing number of convicts. On June 30, 1907, there were 389 prisoners in the institution, a net increase of 29 for the year, compared with a net increase of 31 for the year previous. During the year 178 prisoners were received; 134 prisoners were released because of expiration of sentence, 4 were paroled, 1 was pardoned, 6 died, 1 was murdered by a fellow-convict, 1 committed suicide, 1 was released by order of the court, and 1 was transferred to the asylum for the insane; total, 149.

The 178 prisoners received during the year were classified as whites, 67; Mexicans, 89; Indians, 13, and negroes, 9.

At the close of the year there were in the institution 125 whites, 225 Mexicans, 21 Indians, 17 negroes, and 1 Chinaman.

Of the offenses for which the 389 prisoners were sentenced, crimes of violence formed a large proportion. For murder in the first degree there were 50; for murder, 3; for murder in the second degree, 50; for assault with deadly weapon, 41; for robbery, 28; for manslaughter, 19; for assault with intent to commit murder, 15; for rape, 10; for assault to commit rape, 5; for aggravataed assault, 5; for assault with intent to rob, 2. Of other common crimes there were grand larceny, 39; burglary, second degree, 33; burglary, first degree, 28; forgery, 22; selling liquor to Indians, 17; burglary, 9; uttering and passing forged checks, 7.

The prison staff consists of a superintendent, an assistant superintendent, a secretary, a physician, a yard master, a gate keeper, 20 guards, and 2 chaplains.

The prison is the most expensive of all the Territorial institutions. The gross expenditure for maintenance during the year was $66,232.61. Deducting the sum of $10,605.46 for earnings and receipts, the net expenditure amounted to $55,627.15. The net per capita cost per day was a fraction over 43 cents. It was a cent per day cheaper than during the previous year.

The universal difficulty of providing adequate and proper employment for prisoners is aggravated at the Arizona prison because of peculiar local conditions. There are no facilities for manufacturing in any line, and, to a very large extent, the prisoners are kept in idleness.

These conditions, which have prevailed at the prison from the very beginning, will not long continue, however, as a new prison is to be constructed immediately, and prisoners will be employed to the largest practicable extent in the work of construction. The prison at Yuma, which is an antiquated adobe structure, and unfit in nearly every respect for a prison, is to be abandoned and a new and modern institution is to be constructed at Florence, in Pinal County.

Notwithstanding the unsatisfactory physical conditions at Yuma, the health of the prisoners is excellent, and the best of discipline is preserved. Persons qualified to judge pronounce it one of the best governed prisons in the country.

TERRITORIAL INDUSTRIAL SCHOOL.

The Territorial Industrial School, a reformatory institution for boys and girls convicted of crime or incorrigibility, is situated at Benson. At the close of the fiscal year there were 55 boys and 4 girls in the school. The total number at the close of the previous fiscal year was 58.

During the year there were 35 boys and 2 girls admitted to the institution. One girl and 19 boys were released by expiration of sentence; 2 girls and 5 boys were released under leave of absence (parole); 7 boys escaped; 1 boy was pardoned.

The expense of maintaining the industrial school for the year was $24,086.30. The total amount expended for improvements for the institution during the same period was $2,615.57. For the two years beginning July 1, 1907, the sum of $17,500 has been appropriated for improvements.

ASYLUM FOR THE INSANE.

Like the penitentiary, the Territorial Asylum for the Insane at Phoenix is crowded beyond its proper capacity. New buildings are to be constructed, however, including a hospital. The sum of $50,000 is available for new buildings under an appropriation made by the late legislature, and it is expected that the construction of the new buildings contemplated will afford ample room for a few years at least.

The institution is well managed under the direction of a competent physician superintendent. The mild climate, which enables patients to be out of doors every day of the year, is conducive to the restoration of health, and the reports of the institution show that a good percentage of the patients are cured. The death rate for the past year was 4.53 per cent; for the previous year it was 9.95 per cent.

At the close of the year there were 289 patients in the institution, a net increase of 23 for the year and of 33 in two years. There were 231 men and 58 women.

The total cost of maintaining the asylum for last year was $49,736.36. The maintenance cost per capita per day last year was $0.497; for the previous year it was $0.484.

THE ARIZONA RANGERS.

The Territory maintains a force of mounted peace officers known as the Arizona Rangers. The force at its maximum strength consists of a captain, a lieutenant, 4 sergeants, and 20 enlisted men. At the close of the year the strength of the force, officers and enlisted men, was 20. The organization continues to prove its great value to the Territory in the apprehension of criminals.

During the past year the rangers made 614 arrests, of which 191 were for felonies of various kinds. Thirty-one of the arrests were

of fugitives from other States. The principal felonies for which arrests were made were: Murder, 11; assault to commit murder, 21; rape and attempt to rape, 4; robbery and attempt to rob, 7; grand larceny of live stock, 37; grand larceny of other property, 13; perjury, 5; forgery, 6; selling liquor to Indians, 18; burglary, 20. Large numbers of horses and cattle that had been stolen were recovered and were returned to their owners.

While making their headquarters at different points, the rangers are required to spend a large portion of the time in the saddle, and each of them travels 10 miles a day on the average. They work in the utmost harmony with the sheriffs and other peace officers of the several counties, and at times are of invaluable assistance to such officers.

THE NATIONAL GUARD.

The present strength of the National Guard of Arizona is 327 officers and men, exclusive of three cadet companies. On the governor's staff there are only two officers, the adjutant-general and the inspector of rifle practice. I have not felt inclined to make staff appointments for merely complimentary purposes. The organization consists of five companies of the First Infantry, with an attached cavalry troop, the several organizations having stations at Phoenix, Tempe, Mesa, Yuma, Flagstaff, and Morenci. Regimental headquarters are at Phoenix. The inspection made last spring by Maj. C. J. Stevens, Fifth United States Cavalry, disclosed that all the organizations are in a good state of discipline and well equipped for service in the field. The command has won praise from officers of the Regular Army for its conduct under service conditions. Since the Texas encampment of last year information has come, both orally and in writing, from Regular Army officers who were on duty there to the effect that the Arizona battalion was the best militia organization at Camp Mabry.

Within a year the First Cavalry troop, Nogales, has been mustered out for lack of interest and inefficiency.

This year, in August, twelve days were spent by the regiment in camp at the Whipple Barracks rifle range, near Prescott, where two guard encampments had been held before. At this camp was selected a team which represented the National Guard of Arizona at the national rifle competition held a fortnight later at Camp Perry, Ohio, this being the first year the Territory has had such representation.

In obedience to the provisions of the militia act and of an act of the late Territorial legislature, in all details of organization the Arizona Guard has been made to conform to the requirements of the Regular Army. Strict physical examination has been made of every officer and enlisted man.

For more than three years there have been no disturbances in the Territory that have called for the presence of the National Guard.

EDUCATION.

The annual school census (taken in May) gives 33,167 as the number of children of school age (between 6 and 21 years) in the Territory, a gain of 2,937 over last year. This is a notable increase, the census of 1906 showing a gain of 940 over the year 1905.

The chief facts of interest embodied in this year's census will be found in the following summary of the statistics:

Summary of school statistics.

SCHOOL POPULATION AND ATTENDANCE.

	1906.	1907.
Number of children—		
Between 6 and 21 years of age	30,230	33,167
Between 8 and 14 years of age	14,168	16,932
Native born, native parents	17,689	19,310
Native born, one parent foreign	3,732	3,107
Native born, both parents foreign	5,884	7,310
Foreign born	2,925	3,440
Enrolled in the public schools	23,223	24,962
Enrolled in high schools	342	398
Attending private, but no public schools	1,499	1,302
Who have not attended any school	5,166	6,505
Average daily attendance on the public schools	14,448	15,352
Average daily attendance on high schools	261	315
Percentage of school population enrolled	77	76
Percentage of enrollment in daily attendance	62	63

SCHOOL DISTRICTS AND SCHOOLS.

School districts	290	293
New schoolhouses built	12	8
High schools (under special law)	5	5
Grammar schools	165	198
Primary schools	377	393
Average number of days school was taught	125.2	128.4
Volumes in school libraries	19,931	21,639

TEACHERS.

Male teachers employed	110	108
Female teachers employed	444	518
Teachers holding first-grade certificates or diplomas	379	402
Teachers holding second-grade certificates	175	206
Average monthly salary paid men teachers	$89.41	$93.30
Average monthly salary paid women teachers	$71.10	$71.08

CERTIFICATION OF TEACHERS.

Applicants for certificates on examination	197	196
First-grade certificates issued on examination	17	25
Second-grade certificates issued on examination	100	105
Life diplomas granted	4	6
Educational diplomas granted	3	7
Certificates granted to graduates of universities or colleges	13	17
Manual training certificates issued		5
Certificates granted on life diplomas from other States	27	13
Certificates granted on diplomas from State normal schools	66	61
Graduates of Territorial Normal School at Tempe	38	32
Graduates of Territorial Normal School at Flagstaff	4	7
Total certificates issued	272	278

Summary of school statistics—Continued.

RECEIPTS AND EXPENDITURES.

	1906.	1907.
Receipts:		
Territorial school fund	$41,006.00	$43,833.50
County taxes	256,237.92	308,769.84
School (poll) taxes	74,818.78	89,209.63
Licenses, fines, forfeitures, etc	82,229.76	79,833.66
Special taxes for maintaining schools, including high schools	22,902.07	30,074.55
Sales of school bonds for building purposes	50,261.56	87,334.00
Bond-interest taxes	39,414.60	49,160.69
Miscellaneous sources	13,514.67	9,546.48
Total	579,385.36	697,762.35
Expenditures:		
Buildings	89,124.93	41,658.19
Interest on bonded debts	29,490.28	45,134.96
Supervision	17,527.64	17,803.61
School maintenance	431,396.16	480,080.98
Miscellaneous	13,796.48	35,576.87
Total expenditures for public school purposes	581,335.49	620,254.61
Education of deaf, dumb, and blind	2,025.00	1,812.50
Maintenance of normal school at Tempe	37,389.29	36,344.47
Maintenance of normal school at Flagstaff	13,978.64	12,762.55
Maintenance of university (by Territory)	30,607.11	29,927.89
Dormitory at Flagstaff normal	9,087.31	.....
Buildings at Tempe normal	44,274.01	.....
Total	718,696.85	701,102.02

SCHOOL PROPERTY AND BONDED DEBT.

Valuation of lots, buildings, and furniture	$997,126.00	$1,110,734.00
Value of libraries	16,585.00	17,724.00
Value of school apparatus	28,177.00	29,877.00
Total valuation of school property	1,041,888.00	1,158,335.00
Bonded debt of districts	490,937.00	570,787.00

COST OF EDUCATION.

	Cents.	*Cents.*
Per capita of school population	14.88	14.50
Per capita of enrollment	19.09	18.53
Per capita of daily attendance	27.26	30.63

The difference between the school population (33,167) and the total number of pupils enrolled in the public and high schools (25,370) apparently shows that many children fail to attend school; for if due allowance is made for the 1,302 pupils who attend private schools, there still remain 6,505 children of school age who attended no school during the year. This bad showing is more apparent than actual, however. The law provides that all children between the ages of 6 and 21 shall be enumerated in the census of school population. It is well known that a large percentage of pupils, especially boys, leave school before they reach the age of 21. Indeed most of them, even if they complete the high school course, graduate at about the age of 18. It is manifest, therefore, that the census of any year, if it comprises all children between the ages of 6 and 21, will include many who have attended no school during the previous year, but who, nevertheless, may have completed the entire course of study of both the grammar school and the high school. It is unfortunately true, however, as pointed out in my report of last year, that many children of Mexican parentage fail to attend any school. To remedy the evil

of nonattendance the late legislature amended the school law so as to make attendance compulsory.

Although liberal appropriations have been made from time to time by the Territory for the university and for the normal schools, the rapid growth of population made it necessary this year for the legislature to make unusual appropriations for those institutions. These appropriations comprised $40,000 for new buildings at the Territorial University (Tucson), $35,000 for a girls' dormitory at the Northern Arizona Normal School (Flagstaff), and $60,000 for additional buildings at the Tempe Normal School.

It is gratifying to report that the university and both normal schools are in flourishing condition, the attendance at each institution being larger each year.

The people of Arizona are proud of their schools and of their school system. Probably no State in the Union adheres to higher standards as regards courses of study and qualifications of teachers.

PUBLIC LANDS.

All of Arizona is included within a single land district, the United States land office being at Phoenix. The number of entries made during the last fiscal year is shown in the following table:

Original and final entries during the fiscal year ended June 30, 1907.

Land district.	Kind of entry.	Number of entries.	Number of acres.
Phoenix	Original homesteads	465	66,037.17
	Final homesteads	96	12,467.72
	Original desert land	60	10,036.09
	Final desert land	12	1,831.96
	Total	633	90,372.94

The sum of $20,000 was apportioned to Arizona for the survey and resurvey of public lands for the past year, and the United States surveyor-general informs me that contracts for the survey of lands in various portions of the Territory were let to cover this sum, and of the surveys executed those approved by the General Land Office aggregated 240,084 acres.

During the year 153 mineral surveys were approved. These surveys included 491 lode claims, 6 mill sites, and 3 placers. During the year orders were issued for mineral surveys embracing 572 lode claims, 6 mill sites, and 5 placer claims.

The following statement, furnished by the General Land Office, shows the amount of unreserved and unappropriated land in the Territory:

Statement, by land districts and counties, showing the area of land unappropriated and unreserved on July 1, 1907.

Land district and county.	Area unappropriated and unreserved.			Brief description of character of unappropriated and unreserved land.
	Surveyed.	Unsurveyed.	Total.	
Phoenix:	*Acres.*	*Acres.*	*Acres.*	
Apache	1,029,625	662,148	1,691,773	Mountainous, arid; grazing and timber.
Cochise	1,626,534	1,316,652	2,943,186	Mountainous and grazing lands.
Coconino	2,226,126	2,798,280	5,024,406	Mountainous, grazing, timber.
Gila	81,359	1,332,917	1,414,276	Arid and broken.
Graham	868,165	1,246,736	2,114,901	Mountainous, grazing, and arid lands.
Maricopa	1,170,845	3,502,197	4,673,042	Arid, grazing, broken.
Mohave	984,474	7,391,932	8,376,406	Do.
Navajo	1,290,462	643,820	1,934,282	Do.
Pima	1,093,130	3,871,832	4,964,962	Mountainous, arid, and grazing lands.
Pinal	574,497	1,898,977	2,473,474	Arid and grazing lands.
Santa Cruz	194,357	80,713	275,070	Mountainous, arid, and grazing lands.
Yavapai	1,009,662	3,070,305	4,079,967	Mountainous, timber, grazing.
Yuma	604,031	4,950,170	5,554,201	Arid, grazing, broken.
Territory total	12,753,267	32,766,679	45,519,946	

BANK STATEMENTS.

There are 14 national banks (the same as last year) and 28 Territorial banks, as against 24 last year.

The bank statements rendered to the Territorial auditor, who is ex officio bank comptroller, exhibit a remarkable condition of business prosperity in the Territory. Taking the national-bank statements of June 18, 1906, and May 20, 1907, and the Territorial-bank statements of June 18, 1906, and June 12, 1907, for comparison, it is found that the total resources of all banks increased from $17,356,346.70 to $22,401,980.66, an aggregate increase of $5,045,633.96. Deposits increased from $13,955,461.19 to $18,487,512.58, an aggregate increase of $4,532,051.39.

There were no bank failures during the year. All Territorial banks are closely examined by the bank comptroller at intervals.

Condition of Territorial banks in Arizona.

	June 18, 1906, 24 banks.	June 12, 1907, 28 banks.
Resources		
Loans, discounts, and overdrafts	$4,569,483.38	$5,983,928.36
Bonds, stocks, and other securities	788,724.88	904,217.73
Real estate, furniture and fixtures	507,398.82	612,640.32
Expense account	95,776.99	117,775.20
Cash and due from banks	3,190,556.34	3,799,349.40
Total	9,151,940.41	11,417,911.01
Liabilities.		
Capital stock	869,500.00	1,034,500.00
Surplus	414,543.38	426,896.97
Undivided profits	259,858.45	344,123.41
Deposits and due banks	7,554,759.85	9,546,181.77
Bills rediscounted and bills payable	53,278.73	66,208.86
Total	9,151,940.41	11,417,911.01

Condition of national banks in Arizona.

	June 18, 1906, 14 banks.	May 20, 1907, 14 banks.
Resources.		
Loans, discounts, and overdrafts	$3,467,672.98	$4,562,909.64
United States bonds	728,736.26	950,451.97
Securities, etc	440,654.68	528,081.18
Real estate, furniture and fixtures	216,484.83	367,241.48
Cash and due from banks	3,350,857.54	4,575,385.38
Total	8,204,406.29	10,984,069.65
Liabilities.		
Capital stock	755,000.00	755,000.00
Surplus and undivided profits	470,579.08	586,398.84
Circulation	560,000.00	645,050.00
Deposits and due banks	6,400,701.34	8,941,330.81
Other liabilities	18,125.87	56,290.00
Total	8,204,406.29	10,984,069.65

INCORPORATIONS.

For the two years ended June 30, 1906, the fees received by the Territory, through the office of the Territorial auditor, from the organizers of corporations amounted to $83,524. For the year ended June 30, 1907, the sum received from this source was $64,408.20. The facility, cheapness, and freedom from restraint with which corporations can be organized under the laws of this Territory led me, in my biennial message to the late legislature, to make the following observations:

> The considerable revenue realized from this source should not blind us to the fact that our laws governing the formation of corporations are entirely too loose and liberal. At an expense of a few dollars a corporation can be created and organized under our laws at any "capitalization" that the promoters may choose, and the provisions as to paid-in capital are so loose that it is not really necessary that the actual capital shall ever be anything but nominal. Thousands of corporations thus formed are doing business in all parts of the United States, and the absence of restrictions on our part affords unlimited opportunities for frauds upon investors in the shares and upon creditors of such corporations. The fact that some of the States are competing for this business and are placing substantially no restrictions upon the formation of "tramp corporations" does not in any wise excuse our Territory for doing the same thing.

INSURANCE COMPANIES.

The secretary of the Territory reports to this office that there are at present 51 fire insurance companies, 19 life insurance companies, and 13 miscellaneous insurance companies operating in the Territory.

During the year 4 companies withdrew from the Territory and 11 received authority to transact business.

The premium receipts collected by the various companies doing business in the Territory during the year ended December 31, 1906, aggregated $1,249,438.97, upon which the secretary levied a tax of 2 per cent, in accordance with the insurance laws of the Territory. This tax amounted to $24,988.78, and was covered into the Territorial treasury.

MINING.

The prosperity of the mining industry in Arizona is always notable, and during the past year and a half it has been without parallel.

The various mine operators, in their statements of production made to the county assessors and to the Territorial auditor in April of this year, acknowledged an output for the calendar year 1906 of the value of $53,801,781.27. These statements were made for the purpose of fixing the valuation of the mines for taxation, one-fourth of the value of the product for last year being taken as the value of the producing mines for this year.

As in former years, copper mining overshadowed in importance all other branches of mining in the Territory. According to the assessors' returns, the production of copper aggregated 255,012,155 pounds; of gold, 125,015 ounces; of silver, 2,704,044 ounces. It is certain, however, that the output of gold considerably exceeded the aggregate found in these tax statements, as mining properties yielding less than $3,750 per claim for the year are not required by law to furnish a statement; and a large number of quartz prospects, as well as numerous producing placer claims, fall within the classification of "nonproducing mines," although their aggregate output must have been very considerable.

Copper properties, also, which fail to produce $3,750 or more per claim are not taxed as producing mines, and the output from them must be estimated from other sources than statements for taxation. The returns of the United States Geological Survey give the copper output of Arizona for the calendar year 1906 as 263,000,000 pounds, or 10,000,000 pounds in excess of the statements that later were made in the returns to the assessors. All evidence at hand warrants the assumption that the estimate of 263,000,000 pounds was conservative.

The price of copper during the latter half of 1906, and until the midsummer of 1907, was the highest on record for a like period, and stimulated to an acute degree the activity which had already marked the copper industry and the exploitation of new copper companies. Rains, widely distributed and at good intervals, provided water in the arid mining districts, so that conditions were unusually encouraging for prospectors. New strikes of copper were announced in various localities from time to time, and if but a small part of these stories could be taken as fully correct it would have seemed that almost every one of our mountain ranges was to develop rich copper districts and furnish new and heavy producers for the copper market. But allowance must be made for exaggeration.

During the summer months of this year the price of refined copper has had a steadily downward course until now (September) the ruling figures (16 and 17 cents) are 8 cents per pound below the highest prices of last year. There are indications that this condition of the market will tend to curtail production, but whether it will have any material effect on the aggregate production of this year remains to be seen. Copper can be produced at a good profit in Arizona even when prices are several cents per pound below present figures; but there is evidence that, in some of the larger mines, work for the next few months will be devoted more to blocking out ore than to hoisting and reducing it.

Production of Arizona mines in 1906.

[Digest of verified statements filed with the Territorial auditor in April, 1907, by owners of mines which produced more than $3,750 per claim.]

County.	Company.	Location.	Copper.	Gold.	Silver.	Total value.
			Pounds.	*Ounces.*	*Ounces.*	
Cochise	Copper Queen Consolidated Mining Co	Bisbee	71,711,813	7,573.448	382,210.73	$14,236,428.45
Do	Calumet and Arizona Mining Co	do	36,931,387	4,241	194,451	7,337,748.36
Do	Superior and Pittsburg Copper Co	do	9,044,875	143	32,564	1,768,376.63
Do	Shattuck Arizona Copper Co	do	2,541,680			489,985.16
Do	The Tombstone Consolidated Mines Co	Tombstone		7.043	577,221	650,217.78
Do	Two companies—no returns; assessed full value					17,500.00
Do	Miscellaneous—four companies		917,242	4,922.648	456,430.52	583,409.77
Coconino	Canyon Copper Co	Grandview	26,798		324	5,382.52
Gila	Old Dominion Copper Mining and Smelting Co	Globe	16,602,186	1,798	74,123	3,286,125.09
Do	The United Globe Mines	do	4,607,537		5,277	891,771.85
Do	Saddle Mountain Mining Co	Christmas	2,338,492	437	16,410	470,514.88
Do	Live Oak Mining Co	Globe	1,714,074			330,439.19
Do	Gibson Copper Co	do	1,106,100			213,233.95
Do	Arizona Commercial Copper Co	do	939,102			181,040.01
Do	Miscellaneous—three companies	do	1,592,343			305,971.87
Graham	Arizona Copper Co. (Limited)	Clifton	25,937,006			4,973,420.20
Do	Detroit Copper Mining Co	Morenci	19,588,412	69.808	2,406.65	3,762,670.73
Do	Shannon Copper Co	Clifton	9,592,773	698	23,340	1,868,963.00
Do	New England and Clifton Copper Co	do	1,140,770	42.57	10,472	228,507.83
Do	Miscellaneous—five companies		698,013		24,743.93	150,129.99
Maricopa	Relief Gold Mining Co			738		14,777.85
Mohave	Gold Road Mining and Exploration Co	Gold Roads		26,299.24	12,013	551,628.89
Do	Miscellaneous—four companies		27,653	1,345.80	40,604.50	90,081.47
Pima	Imperial Copper Co	Silver Bell	4,385,246		44,327	874,994.00
Do	Twin Buttes Mining and Smelting Co		700,329		11,293.73	142,552.58
Do	The Helvetia Copper Co		379,823	28.06	3,897.80	76,445.95
Do	Tip Top Copper Co	Tip Top	298,890			57,620.01
Pinal	Miscellaneous—two companies		151,000		414.16	29,466.45
Santa Cruz	do		46,136	16.14	73,372.74	133,683.66
Yavapai	United Verde Copper Co	Jerome	38,827,365	12,912.88	428,317.05	8,038,125.88
Do	Ideal Mining and Developing Co	McCabe	518,895	14,696.10	139,765.81	497,151.93
Do	De Sota Mining Company	Humboldt	1,128,327	903	19,259	249,047.15
Do	Congress Consolidated Mines Co	Congress		10,410	11,407	222,793.54
Do	Commercial Mining Co	Prescott	694,126			131,113.61
Do	Miscellaneous—twelve companies		820,762	17,054.894	117,004.07	655,866.48
Yuma	The King of Arizona Co	Kofa		13,643	4,395	284,593.86
	Total		255,012,155	125,015.588	2,704,044.69	53,801,781.27

THE LIVE-STOCK INDUSTRY.

Uninterrupted prosperity has attended all branches of the live-stock industry during the year. For three years there has been no drought sufficient to cause loss of range stock, feed has been ample, and the "calf crop" excellent. There has been good range beef a portion of the time, which is more than can be expected ordinarily, the common anticipation and purpose of range stockmen of Arizona being to produce good strong feeders to be taken from the range to the alfalfa pastures of the irrigated valleys for fattening. The ranges are fairly well stocked with both cattle and sheep.

The number of cattle and sheep in the Territory can be approximated only, as the number returned by the owners for taxation is always less than the number actually owned. For example, this year's assessment rolls give a total of 516,172 sheep in the Territory, but according to the report of the sheep sanitary commission, 706,450 were "dipped" in six counties between January 1 and June 30, and from the data in hand it was estimated by the commission that about 250,000 remained to be "dipped" between July 1 and July 25. These, with the sheep in the counties not included in the district mentioned, make a total of about 1,000,000 head in the Territory, or approximately 100 per cent more than are on the assessment rolls. Nor can there be any doubt that the number of cattle in the Territory greatly exceeds the number on the tax rolls.

Taking, however, the assessment rolls as a basis of comparison, it is found that the number of cattle in the Territory this year was 342,837, an increase of 47,963 for the year. Their valuation for taxation was placed at $3,753,406, an increase of $556,436 for the year. The returns of sheep for taxation showed an increase of 154,577 in number for the year. Their value was placed at $1,114,555.50, an increase of $354,395.50 for the year. For slaughter within the Territory, 62,290 head of cattle were inspected during the year, and for shipment to points without the Territory, 73,147 were inspected. The total number marketed for the year was 135,437. The number of horses inspected for shipment was 8,115.

The live stock sanitary board advises that with the exception of sheep scabies there is substantially no disease to be found among the live stock of the Territory. Scabies, of course, is more or less prevalent in all range States, but it is kept under control in Arizona through the enforcement of strict sanitary laws, with the assistance of inspectors of the United States Bureau of Animal Industry. The chief range of the sheep in summer is in the northern counties of the Territory, in the mountainous and plateau regions. In the fall they are started toward the central part of the Territory. They reach the region of the Salt River Valley by early spring, where they are sheared, after which they are started north again for summer feeding. This custom of moving them back and forth, covering distances of some hundreds of miles, caused practically all the sheep to be more or less exposed to infection, as long as there were any flocks in the Territory infected. This has necessitated much expense to owners for "dipping" to keep the disease even under control, and caused shippers continual anxiety through fear that their sheep would be stopped by Federal inspectors when offered for interstate movement.

In order to provide a still closer inspection of all sheep, the late legislature enacted a law providing for a sheep sanitary commission and a staff of inspectors. Commissioners were promptly appointed, and on April 15 last the commission issued an order notifying all persons owning sheep in the six northern counties, where nearly all sheep interests are located, that their sheep must be "dipped" once under the supervision of an inspector, and the bands which contained any infection must be "dipped" a second time, ten days after the first "dipping;" and that any sheep found after July 25, 1907, without proper certificate of "dipping" would be placed under guard, at owner's expense, until "dipped." The United States Department of Agriculture assisted liberally by furnishing bureau inspectors at the larger "dipping" plants to supervise the "dipping." The commission notified sheep men regarding the time of "dipping," furnished special inspectors to assist, and assumed all responsibility for enforcing quarantine orders. The results were most gratifying. The sheep owners cooperated cordially with the authorities. The secretary of the sheep sanitary commission, who is also Territorial veterinarian, reports his belief that scabies infection has been eradicated from the Territory. It is planned, however, to have all sheep in the north inspected this fall before they are moved south, in order to prevent the spread of any infection that might possibly remain. Sheep are not allowed to enter the Territory from infected districts unless accompanied by a certificate stating that they have been "dipped" under the supervision of an inspector of the United States Bureau of Animal Industry within ten days previous to entry.

The live stock sanitary board, assisted by the Territorial veterinarian and about sixty live-stock inspectors working under the orders of the board, has general supervision of the live-stock industry of the Territory.

The present live-stock law of Arizona, while not perfect in all respects, is perhaps superior to the live-stock law of any of the States. Among the important provisions of the law are:

1. The supervision of the enforcement of the law by a live-stock sanitary board appointed by the governor.

2. Adequate quarantine regulations and the employment of a competent Territorial veterinarian.

3. The inspection of live stock slaughtered, shipped, or driven from its accustomed range within the Territory, in order that any manifest symptoms of disease may be found and reported, and in order that the ownership of each animal may be known and guarded, and the brands and number of head reported and a record kept of same.

4. The methods and requirements necessary to establish lawful ownership of brands for live stock and constituting a lawful brand prima facie evidence of the ownership of the animals so branded.

5. The defining of different forms of cattle stealing and other violations of the law and fixing the punishment for same, cattle stealing being made a felony.

6. The law provides a special fund, called the license and inspection fund, out of which are paid the expenses of enforcing the law and maintaining the inspection service. As this fund is derived from butcher licenses, a special tax on live-stock brands, fees for recording new brands, and proceeds from sales of unclaimed live stock, all the expenses are borne by the live-stock industry itself.

7. The law provides for the seizure of live stock unlawfully branded and held by persons other than the rightful owner and for the determination of disputed ownership in a court of competent jurisdiction.

8. The law confines the business of slaughtering cattle for commercial purposes to responsible butchers, under bond, at fixed and definite slaughtering places, where the same may be properly inspected.

The inspection at slaughterhouses is of especial value to consumers of meats, as must be obvious.

The degree of protection accomplished under the system provided for by this law varies according to the competency of each inspector; but the inspectors are selected in accordance with the best advice and wishes of the local stockmen, and are subject to removal at any time the stockmen see any opportunity for improvement. Politics does not enter into the selection and appointment of live-stock inspectors. The board does not inquire and does not know the politics of its inspectors.

As a result of having all shipments of live stock entering the Territory reported to the Territorial veterinarian before entry, in order that their condition may be known, no infection has been introduced during the year, except at Yuma. In this case three glandered mules were found in a shipment of sixty-nine mules from Missouri, to be used by the United States Reclamation Service at Yuma. The infected animals were at once destroyed and the others kept under control, with the result that the infection was stamped out with the loss of but five head. No further infection has been found at points in the Territory where glanders was encountered last year. There have been but few outbreaks of swine plague during the year, and these were usually reported promptly and checked with but slight loss. Blackleg in past years has caused severe loss among calves, amounting in many valleys to from 5 to 35 per cent, but the United States Department of Agriculture furnished blackleg vaccine to the Territorial veterinarian for free distribution and as a result these losses have been reduced to less than 1 per cent. The "San Bernardino" cattle range in Cochise County, in the southeastern corner of the Territory, bordering upon Mexico and containing some 200,000 acres, which has been in quarantine for five years past on account of the prevalence of cattle-tick fever infection introduced from Sonora, is now free from infection. When it was found that the winters were not severe enough to destroy the ticks on this range, a "dipping" station was built, and during 1904–5 the cattle on the range were "dipped" in an emulsion of crude oil. Arizona is now entirely free from cattle-tick fever infection.

From time to time during the past two years strong representations have been made to me by the cattlemen of the southern part of the Territory and by the Live Stock Sanitary Board to the effect that the welfare of the cattle industry of the Territory demanded that the fences on the "San Bernardino" range be maintained. These fences made it possible to maintain the Territorial quarantine on this range during all the years of infection, and made it possible to satisfy the Federal authorities that no infection existed on adjoining ranges, and therefore no necessity for a general quarantine of any of the southern counties of the Territory. As tick infection always exists

on the ranges in Sonora, Mexico, immediately adjoining this range on the south, there is undoubtedly great danger of infection being introduced again from Mexico. Cattle will drift back and forth across the international boundary line unless held in check by fences. An international line fence was constructed by Arizona stockmen many years ago to prevent cattle from drifting into Mexico and to prevent infected Mexican cattle from entering this Territory. The fence was built from the southeastern corner of Arizona west for a distance of 50 miles, covering all points where infected Mexican cattle had been offered for entry into Arizona. Unless fences are maintained in good order, however, range cattle will break through them, and this fence on the international boundary line has been effective only in a measure. The fences surrounding the "San Bernardino" range on the east, north, and west prove to be a second protection against the spread of infection to other ranges in Arizona and New Mexico. It appears, however, that within the area inclosed by these fences a few settlers have filed upon public land in an effort to establish farms upon the "San Bernardino" range (although the region is so arid that farming of any consequence would seem to be impossible), and the complaints of these settlers led to orders from Washington for the removal of the fences inclosing the range.

Bearing upon this question, the Live Stock Sanitary Board makes some suggestions, to which I have the honor to invite your attention. The board, in its report for the last fiscal year, says:

> The board earnestly brings to your consideration the desirability of inviting national legislation for the erection of an adequate stock fence on the southern boundary of Arizona, between this Territory and the Republic of Mexico. So far as the live-stock industry and the public welfare of this Territory are concerned, the benefit and necessity of such a fence is a very plain matter. There is, and for years has been, Texas or splenetic fever in Mexico, a short distance south of the southern boundary of Cochise County. It came into this Territory from that source several years ago; but through rigid quarantine, regular "dipping" of thousands of head of cattle, and the fencing of the Bernardino range in Cochise County it has at last been stamped out of the Territory. Without fences this could not have been accomplished. This Territory is over 95 per cent semiarid, open-range public domain. There are scarcely any private fences to assist in restraining live stock, and those are mainly confined to the irrigated lands which do not lie near the boundary line referred to. Cattle may roam at will back and forth across the international line, except for the ordinary vigilance of the owners, which is not sufficient for the purpose of safety. Strays are returned to Mexico from the United States, and vice versa, where quarantine regulations do not forbid, which is evidence that the cattle do actually stray back and forth across the line. There is nothing that will actually keep this contagion out of Arizona except a good and sufficient fence. There is a fence south of the Bernardino range in Cochise County now, but it is not maintained by law, nor is it believed to be adequate. What is needed is a first-class stock fence the whole length of the line. We think this should be provided by act of Congress, making an appropriation for the purpose, and that the same act should contain a provision making it a felony to willfully break the fence. The care and maintenance of the same should be placed under the supervision of the collector of customs, who would no doubt find such a fence of great value and assistance in the prevention of smuggling. Openings for public thoroughfares should be maintained under the collector's supervision, where they can be properly policed.

It is practicable, of course, for the Governments of the United States and Mexico to cooperate in the construction of a good fence of barb wire along the entire boundary line between the two countries. Such a fence, undoubtedly, would greatly simplify the work of the line riders of the customs service. In Arizona and Sonora it

would prevent cattle from drifting to and fro between the two countries. Under present conditions I am convinced that there is considerable evasion of the duty placed by the United States on the importation of foreign cattle. American cattle owners operating ranges on both sides of the international boundary find it to their convenience and interest to have large herds in Arizona at one season of the year and in Sonora at another season. When these Arizona cattle are brought back from Sonora, ostensibly as "strays," opportunity is offered for bringing in cattle of the same brand which have been bred in Mexico.

OSTRICH FARMING.

The unique industry of "ostrich farming" in the Salt River Valley continues to justify the sanguine promises of its success. Several farms are devoted to ostrich growing, alfalfa being practically the exclusive feed of the birds. They are plucked every eight months, and there is a ready market for the feathers. The net revenue is said to easily average $20 per year for each ostrich. The long life of the ostrich—said to be one hundred years or more—the hardy nature of the bird, its freedom from disease, and the satisfactory financial returns from the business, seem to sustain the prediction, frequently heard, that ostrich growing in the neighborhood of Phoenix will steadily grow in importance.

It is claimed for the feathers of the Arizona ostrich that they have a peculiar luster, superior to that of feathers produced in South Africa or elsewhere. This characteristic luster is claimed to be the result of alfalfa feeding.

In the assessment rolls of Maricopa County for this year ostriches to the number of 1,354 are returned for taxation, at an aggregate valuation of $67,700, or $50 for each bird. Their market value is stated to be about $200 per bird.

AGRICULTURE AND HORTICULTURE.

Although the assessment rolls of the several counties show an aggregate of 1,539,395 acres of "cultivated and uncultivated land," the area actually cultivated and producing crops is probably but slightly in excess of 200,000 acres. For example, in Maricopa County (the Salt River Valley), in which lies the largest district under cultivation in the Territory, 294,460 acres of farm land are returned for taxation, at a total valuation of $4,252,455. That acreage has been reclaimed from the desert, and has been irrigated and cultivated at various periods. It is known, however, that the land regularly irrigated in the county does not exceed 150,000 acres. Twenty years ago incorrect ideas prevailed concerning the supply of water that could be depended upon, and the flow in the streams under normal conditions was greatly overestimated. Accordingly, canal systems were constructed to supply 300,000 acres, and upon this acreage settlers attempted to farm. Experience proved that the dependable supply of water—the supply exclusive of floods, which largely ran to waste—was materially short of the requirements of the 300,000 acres that had been reclaimed. The acreage under cultivation grew gradually smaller until, finally, some years ago the area under profitable cultivation in Maricopa County was found to be about 150,000 acres.

The next largest farming district is in Graham County, on Gila River. The other districts of considerable area are in Apache and Navajo counties; in the Verde Valley, in Yavapai County; in the Gila Valley, in Pinal County; in the valley of the San Pedro, in Cochise County; and on Gila and Colorado rivers, in Yuma County.

In the regions of higher altitude, such as Apache and Navajo counties and the valley of the Verde in Yavapai, there is some reliance upon rainfall for crops, but irrigation is the mainstay. In the great valleys of Salt, Gila, and Colorado rivers irrigation is depended upon wholly for crops. In the Salt River Valley the average rainfall does not exceed 7 inches, but the rainfall upon the watersheds of Salt and Verde rivers (which unite to form the river whence water is diverted for the irrigation of the Salt River Valley) will closely approximate 18 inches per annum. The aggregate area of these watersheds is about 12,000 square miles.

The Salt River Valley and the irrigated lands on the Gila and Colorado rivers are devoted mainly to three farm crops—alfalfa, wheat, and barley. The net profits from ranching generally greatly exceed the profits from farming in any of the Eastern States.

Fruit raising is conducted on a limited scale, and there will not be a great expansion of the fruit industry until a regular and adequate supply of water for irrigation shall have been provided by the storage reservoir and diversion dams now under construction by the Federal Government.

Upon completion of the great storage dam at Roosevelt, on Salt River, a new era for the Salt River Valley will begin, and thereafter fruit raising in this region will undoubtedly become one of the most profitable industries. Under present conditions the returns from orange growing, from grape fruit, and from olives are quite satisfactory. Ripe Salt River Valley oranges have become a unique feature of the eastern fruit markets at Thanksgiving time, and they are uniformly ready for market some weeks earlier than the oranges of California or Florida. They command always the highest prices because of their peculiar sweetness. The completion of the Laguna dam, above Yuma, will no doubt lead to the growing of oranges in large quantities in that locality also, and it seems safe to predict that within ten years from this date the yield of Arizona oranges will amount to hundreds of carloads each year.

Orange growers in this Territory find themselves exceptionally fortunate in that the orange tree is not molested to any extent by any form of insect pest. This freedom from insects is thought to be due to the hot, dry climate.

Many fruits of the Temperate Zone, and practically all subtropic fruits, do well in Arizona.

Although there are many millions of acres of arable land in Arizona which could be farmed satisfactorily if water for irrigation were available, the acreage which ultimately may be farmed is proportionately small. The land available for farming is strictly limited by the water supply, and it is probably within bounds to estimate that never will there be fully irrigated more than 700,000 acres. And it is to be expected, judging from the progress of irrigation works now under way, that the maximum development will be closely approached within the next five years.

IRRIGATION WORKS.

The United States Reclamation Service has under construction in Arizona two projects of vast importance: The Roosevelt reservoir, on Salt River, 60 miles northeast of Phœnix, and the Laguna diversion dam, on Colorado River, about 20 miles above Yuma.

FORESTS.

Arizona contains one of the largest pine forests in a single body in the world (6,000 square miles) and there are numerous forests of magnitude. Possibly in no other section of the United States is there so keen an appreciation of the value of forests as in Arizona, nor is it possible for the National Administration to meet anywhere more loyal support than is accorded in this Territory to the policy of protecting the forest domain. Our people have learned through years of observation what it means to have natural growth removed from the soil. They have seen overstocking of the ranges and forests followed by denudation, the disappearance of shrubbery and grass, and the loss of nature's system for holding water in the soil. They have seen cattle trails become water courses for the run-off of floods, the gashes thus made in the soil becoming deep ravines or *barrancas* that quickly drain districts of rainfall. Such developments are of moment in a country in which water is of precious value for irrigation and for stock on the ranges, and very naturally the people of Arizona have been led to study with care the question of conserving the waters and saving the forests.

In each instance the action of the President in creating National forests in this Territory, in late years at least, has met with the heartiest local approval.

No forests are owned by the Territory, if we except the school sections and university lands which happen to be within National forests, nor is there any desire that the Federal Government shall relinquish any of its ownership and control of the forests. On the contrary, it is probable that in some cases it will be to the advantage of the Territory to relinquish to the Federal Government the school sections within National forests and accept in exchange agricultural or grazing lands which have a certain rental value. Under a late act of Congress it is provided that 10 per cent of the revenues from National forests shall be paid to the States and Territories within which the forests are situated. In Arizona this percentage has become of some importance to certain counties. For the year ended June 30, 1906, the sum apportioned to this Territory for National forests revenues by the Department of Agriculture was $7,940.50, and for the year ended June 30 of this year the sum was more than twice as great, or $17,307. It is provided that this money must be apportioned by the Territory to the several counties in which National forests are situated in proportion to the area of the forests in each county, and when so apportioned the money is appropriated by the counties to the benefit of schools and roads.

Large areas of forests are within the land grant made by Congress to the Atlantic and Pacific Railroad (now the Santa Fe Pacific, part of the Santa Fe system). Most of the forests so situated have been reacquired by the Federal Government in exchange for land else-

where, but there is a considerable area still owned by individuals through purchase from the original grantees. From these private holdings, and from stumpage permitted by the Government, there is a heavy production of lumber, and Arizona pine is shipped in great quantities to nearly all parts of the United States.

LEGISLATION.

The twenty-fourth legislative assembly, which convened January 21 and adjourned March 21, at the completion of the statutory term of sixty days, enacted a large volume of beneficial legislation.

PUBLIC MORALS.

The legislature achieved especial distinction for legislation in promotion of public morals. The first act, and perhaps the most notable, of the session was that repealing the law which licensed public gambling. The effect of this legislation was to make gambling of the "percentage" or "rake-off" class a felony. The act went into effect on the 1st of April, and on that day every gambling house in the Territory was closed. In effect this made April 1, 1907, a historic date in the history of the Territory, for until then gambling had been conducted everywhere in a "wide-open" manner, the doors of the gaming houses being open every day and night of the year. The abolition of gambling was in response to pronounced public sentiment, and I regard it as a fact most creditable to our people that not only was the new law instantly obeyed by the gamblers themselves, but that there has been no attempt anywhere to evade the law.

Legislation along the same line was the act providing that retail dealers in intoxicating liquors must pay a license of $300 per year.

There was also an act giving to boards of supervisors in counties the power to revoke the license of any liquor dealer upon proof that the holder of such a license is keeping a disorderly house "by which the peace, comfort, or decency of the immediate neighborhood is habitually disturbed, or that he has sold, bartered, furnished, or given away such liquors to any minor person, pupil, or student in any public school, academy, seminary, normal school, university, or other institution of learning, or to any habitual drunkard," etc. Laws enacted in former years, and now upon the statute books, provide for local option in certain cases and prohibit saloons within 6 miles of any railway construction or similar public work.

Another act safeguarding public morals was that prohibiting women and minors from loitering in or frequenting places where liquor is served or furnished.

There were four acts for the better protection of children:

(1) An act "providing for the protection of the life, health, and moral welfare of children," as thus expressed:

> Any parent, guardian, or other person having the custody of any child, who shall willfully cause or permit the life of it to be endangered, or the health of it to be injured, or the moral welfare of it to be imperiled by neglect, abuse, or immoral association; or it to be placed in such a situation that its life may be endangered, or its health be likely to be injured, or its moral welfare, by reason of neglect, abuse, or immoral associations, be likely to be imperiled, shall be deemed guilty of a misdemeanor, and on conviction thereof, shall be fined not

more than $300, or imprisoned in the county jail for a period of two months, or punished by both such fine and imprisonment.

(2) An act providing for the adoption of children whose parents are unknown.

(3) An act "defining the powers of the several district courts of the Territory of Arizona in reference to the care, treatment, and control of dependent, neglected, incorrigible, and delinquent children under the age of 16 years, and providing for the means by which such powers may be exercised." The purposes of this act are expressed in its preamble:

Whereas, the welfare of the Territory demands that children should be guarded from association and contact with crime and criminals, and the ordinary process of the criminal law does not provide such treatment and care and moral encouragement as are essential to all children in the formative period of life but endangers the whole future of the child; and

Whereas, experience has shown that children lacking proper parental care or guardianship are led into courses of life which may render them liable to the pains and penalties of the criminal law of the Territory, although in fact the real interests of such child or children require that they be not incarcerated in the penitentiaries and jails as members of the criminal class, but be subjected to a wise care, treatment, and control, that their evil tendencies may be checked and their better instincts may be strengthened; and

Whereas, to that end it is important that the powers of the courts in respect to the care, treatment, and control over dependent, neglected, delinquent, and incorrigible children should be clearly distinguished from the powers exercised in the adminsitration of the criminal law; therefore, etc.

In effect this act, which is somewhat voluminous, follows the lines of the acts in other States creating juvenile courts and providing for probationary control of children in cases in which it is decided that their welfare would not be promoted by commitment to an industrial school.

(4) An act providing for the compulsory attendance of children upon the public schools (elsewhere mentioned).

Another act in support of public morals was that providing for the punishment of persons guilty of cruelty to animals.

An act in response to public sentiment was that to prohibit exhibitions of steer tying, and steer-tying contests within the Territory. While such exhibitions seemed to be attractive to visitors from other States, they were never popular with our own people, and the cruelty so often attendant upon them made them especially objectionable.

TAXATION OF MINES.

From the standpoint of the taxpayer the most important legislation of the session was the act providing a new method for taxing and assessing mines.

Until the passage of this act mines were required by law to be assessed and taxed as other property, on the ad valorem principle. It was the intent of the law that mines should not be treated differently from other property. It was intended that they should bear their proportionate share of the burden of taxation, no more and no less. But in practice the rule was quite different. There had grown up a system of assessment whereof the great producing mines were the beneficiaries at the expense of other classes of property. Each county has its assessor, who fixes the valuation for taxation of each piece of property that is taxed in his county. After completing his work of

assessing taxable property he turns in to the county board of supervisors his assessment rolls. The supervisors, sitting as an equalization board, have the power to raise or lower the valuations fixed by the assessor, but in practice the findings of the assessor are seldom disturbed to any great extent, and this was notably true of the assessments of mines. Great copper properties, worth many millions of dollars, were valued by assessors and supervisors at petty thousands. The principal mines were assessed at a mere fraction of their actual value, while all other property (with the exception of railroads), such as farms, town and city lots, merchandise, live stock, and so on, was assessed and taxed at from one-third to one-half of its actual market value.

There is no difficulty in understanding how in some cases this unfair system was developed. County supervisors often found that they had been elevated to office through the activity and friendship of mining companies. Quite often they had been selected in convention and nominated by the agents and partisans of mining companies. It was not to be expected, then, that they would fail to appoint to the office of assessor a man friendly to the mine operators—a man mentally and morally pledged beforehand to deal out substantial favors to the big mining properties in fixing up his assessment rolls.

At the same time the owners of the less important mining properties were treated more unfairly by the assessors and boards of supervisors than were the owners of other classes of property, if possible. For example, it was quite usual for the assessor to fix the same valuation for both the producing and the nonproducing mine. Mining claims upon which there had been merely sufficient development to secure final title from the Federal Government, claims nonproducing and in reality nonproductive so far as concerned ore in sight—in short, claims without any value except a purely speculative value, dependent upon future development and unknown expenditures—would be assessed at the same figures and would pay the same taxes as other claims which were regularly producing large quantities of ore and which had millions of value in sight. As I had occasion to say in my message to the Twenty-fourth legislature: "It had been found that the assessor * * * had quite uniformly assessed all patented mines in his county at so much per acre, irrespective of their actual and relative values. To a limited extent only did he vary the rule. He would assess a remarkably productive claim at a few thousand dollars, but the nonproducing claims of that group would be assessed at so many dollars an acre. And with these few exceptions all mines looked alike to him."

I do not wish to have it inferred that these facts always, or even often, indicated dishonesty on the part of county officers. It is always easier for public officers to fall into the familiar grooves. Conditions having the respectability of precedent are readily accepted, particularly if these conditions have public approval or if there appears to be no public opinion on the question. The failure of county officers to assess property on a basis of equality was due largely to precedent, to prevailing customs as they had found them, to lack of proper thought, and to other causes rather than the dishonesty of the officers themselves.

These were the conditions which confronted the Territorial administration upon taking office in 1905. In that year all the mines in

Arizona, with all the improvements upon them, were assessed for taxation at less than $5,000,000. At the same time, all the other property in the Territory (including the railroads) was worth in the market less than the mines, but all other property was assessed for taxation at more than $40,000,000 as against $5,000,000 for the mines and mining property.

I have discussed in former reports the conclusions I reached in 1905, that the Territorial board of equalization had the power to raise the valuations as returned to it by the various local boards (supervisors). I have explained what was done to carry that conclusion into effect; how the Territorial board of equalization proceeded to raise the valuations of patented mines in the several counties; that the board found itself at a disadvantage in being compelled by law to apply horizontally any increase in the valuation of any class of property for any county; that such increase inevitably worked a hardship to the owners of mines of little value, and especially to such mine owners as had arrived at approximately fair valuations with their assessors. I have also explained how the action of the Territorial board was resisted in the courts by the larger mining companies, and how the Territorial supreme court upheld the contention that the Territorial board was acting within its powers in applying increases to the valuations of mines. And it is worthy of note here that the Supreme Court of the United States in May of this year, in a sweeping decision covering the points in controversy, affirmed the decision of the Territorial supreme court and sustained the Territorial board.

When the legislature convened in January last I was able to advise that body that, as a result of the action of the Territorial board of equalization in 1905 and 1906, the assessed valuation of mines and mining property in this Territory had been increased from less than $5,000,000 to more than $14,000,000.

To the legislature it was explained, however, that, notwithstanding the marked degree of success which had attended the efforts to tax the great producing mines on a more equable basis, there were many defects in the existing law which made it impossible to work out a satisfactory system of taxing mining property. So long as the county assessors and boards of supervisors failed to fix the proper valuation for each piece of mining property, and so long as it was left to the Territorial board of equalization to fix values by applying horizontal increases (or decreases) injustice to the "small mine owner" was bound to follow. Moreover, the decisions of the courts had indicated that increases applied by the Territorial board of equalization could affect the Territorial tax only; the county in any given case would not benefit from the increased valuations fixed by the Territorial board unless the local board (the supervisors) chose to make the increase apply to county taxes as well as to Territorial taxes.

In addition to these, there were other defects in the law which made it advisable for the legislature to amend the law in many particulars or devise a new system of assessing and taxing mines. It was my own opinion, expressed to the legislature, that amendments of the familiar statute and adherence to the ad valorem principle was the preferable policy.

The general subject of mine taxation engaged the attention of the legislature during a large part of the session. Advocates for mining

interests brought in a bill providing an entirely new system of taxing mining property. This bill, which was warmly pressed, provided that in each year the gross product of each mine in the Territory during the previous year should be stated by the owners. The value of one-fifth of this product was to be taken as the value of the mine for taxation. This bill as pressed upon the attention of legislators was open to a multitude of objections, owing to its numerous and manifest defects. I took occasion to express my opinion of the bill, and especially of its more objectionable features, in a special message to the legislature. The committee having the measure in charge thereupon reported a substitute bill, which was substantially a new bill and designed to meet, so far as practicable, executive objections. The new bill was thereafter amended in still further particulars, one leading amendment fixing one-fourth of a mine's output for the preceding year as the basis of its valuation for taxation.

While unable to believe that the system thus devised was fair to other classes of property, and unable to believe that its adoption would be permanent, I was convinced, from analysis of statistics, that the proposed law, if obeyed in good faith by the mining companies—at least while the price of copper remained at a high figure—would yield a still greater revenue than the highest and latest valuations fixed by the Territorial board of equalization. Besides, it was deemed worth while to try the proposed law as an experiment for two years (until the meeting of the Twenty-fifth legislature, in 1909), and especially as it was manifest that the mining corporations were powerful enough to prevent any legislation at that session amendatory of the existing law governing assessments and taxation. It was obvious also that if the bill failed to become a law its advocates, while resisting the enforcement of the existing law, could contend with some force that a measure had been offered which promised to settle the vexed question of mine taxation in a manner satisfactory to the people. Under this view of the facts, and in view of the fact that the bill as finally passed was almost incomparably superior to the original bill, I gave it my official approval.

As shown in the statement elsewhere given in this report, the mine owners have reported under this law that the total valuation of their product of copper, gold, and silver for the calendar year 1906 was $53,801,781.27. Taking one-fourth of this product as the value of the producing mines for this year, and adding to this sum the value of the improvements on the producing mines and the value of the nonproducing mines, with their improvements, we have this year a total of $20,904,201.11 as the value for taxation of all mining property in the Territory, as against $57,000,000 (in round figures) for all other property.

In view of the attention which has been devoted in Congress to the question of mine taxation in this Territory, I give below in full a copy of our new law on the subject.

AN ACT to provide for the taxation of mines and mining claims and the ores or mineral products from the same.

Be it enacted by the legislative assembly of the Territory of Arizona:

SECTION 1. For the purpose of this act all mines and mining claims of whatever kind or character situated in the Territory of Arizona shall be divided into two classes, as follows:

1. Productive mines and mining claims.
2. Nonproductive mines and mining claims.

A productive mine or mining claim shall be:

(a) One that during the twelve months preceding the first day of January of each year, beginning A. D. 1907, has produced ores or mineral products of any kind or character aggregating in value as fixed by section 4 of this act, thirty-seven hundred and fifty dollars or more.

(b) A number of contiguous mines or mining claims under one ownership from one, several, or all of which are produced during such year ores or mineral products of any kind or character aggregating in value, as fixed by section 4 of this act, an amount equal to thirty-seven hundred and fifty dollars or more per claim.

All other mines and mining claims shall be classed as nonproductive.

SEC. 2. Every person, corporation, partnership, or association engaged in mining upon any mine or mining claim of any kind or character shall, between the first day of January and the first Monday in May in each year, make out a statement of the above-named ores or mineral products from each mine or group of mines owned or worked by such person, corporation, partnership, or association, during the twelve months next preceding the first day of January in each year, derived from the working thereof. Such statement must be verified by the oath or affirmation of such person or the manager, superintendent, or agent of such corporation, partnership, or association, and must be delivered on or before the first Monday in May of each year to the assessor of the county in which such mine, mines, or mining claim or claims are situated, and to the auditor of the Territory. Said statement shall show the following:

The name and address of the owner or lessee.

The description and location of the mine, mines, mining claim or claims covered by the said statement, giving the name, area in acres, mining distrcit, and county. If there is no mining district established, then the location with relation to the nearest established district.

The number of tons of ore or other mineral products extracted and treated or sold from said mine or mining claims during the period covered by the statement.

The amount and character of such ores or mineral products and the yield of such ores or mineral products in constituents of commercial value—that is to say, the number of ounces of gold, silver, and the number of pounds of copper, lead, or other commercially valuable constituents of said ores or mineral products during the period covered by the statement.

SEC. 3. The assessor of each county shall prepare, on or before the first Monday in May of each year, an assessment roll called the "Assessment roll of the gross product of mines and mining claims," alphabetically arranged, in which shall be listed the gross product of all mines and mining claims in his county and in which shall be specified in separate columns and under the following heads:

1. The name and address of the owner or lessee of the mine or mining claim.
2. The description and location of such mine or mining claim, stating therein the name, area in acres, mining district, and county. If there is no mining district established, then its location with relation to the nearest established district.
3. The yield of such ores or mineral products in constituents of commercial value—that is to say, the number of ounces of gold, silver, and the number of pounds of copper, lead or other commercially valuable constituents of said ores or mineral products during the period covered by the statement. This statement shall also give the value of the same in money during the period covered by the statement, such value in money to be determined as provided in section 4 of this act.
4. The total amount of taxes, to be ascertained as hereinafter provided.

The form of said assessment roll, as well as the form of the statement provided for in section 2, shall be prepared by the public examiner in conformity with the provisions of this act, and he shall furnish said form to the assessor of each county in order that such forms may be uniform throughout the Territory.

SEC. 4. It shall be the duty of the assessor to ascertain the value of these products as follows: He shall compute the value thereof, based upon the average market quotations of each of such products in New York City as evidenced by some established authority or market report, such as the Engineering and Mining Journal, of New York City, or any other standard paper giving the market

reports for the next preceding year, and twenty-five per cent of such gross value in money shall constitute the total amount upon which the levy of taxes for the current year shall be fixed and made. And said assessor shall return twenty-five per cent of such gross value as the assessment upon which the levy of taxes shall be made upon the claims covered by said statement.

SEC. 5. The value of a nonproductive patented mine, within the meaning of this act, for the purposes of taxation, and of all reduction mills, machinery, appliances, and improvements located thereon, shall be ascertained by the assessor for the county wherein the same are located in the same manner as the value of other property is ascertained by said assessor, and the same rate of taxation shall be levied as is levied upon other property in the same county: *Provided*, That all nonproductive, unpatented mines or mining claims shall be free from taxation; but nothing in this act shall be taken or understood to exempt from taxation any mills, machinery, reduction works, appliances, or improvements located upon said productive or nonproductive, patented or unpatented mine or mining claims.

SEC 6. The taxes levied upon all mines and mining claims in accordance with the provisions of this act shall be in full of all taxes on the same, exclusive of machinery, reduction works, smelters, appliances and all other working improvements or personal property, which shall be separately valued and taxed as other property. Where surface ground in such a claim or mine is used for purposes other than mining, and has a separate and independent value for such other purposes, in such case said surface ground or any part thereof so used for other than mining purposes shall be taxed as other property.

SEC. 7. If any person, corporation, partnership, or association engaged in mining as mentioned in this act shall refuse or neglect to make and deliver under oath, to the assessor, the statement required by this act, or to comply with the other requirements of this act, the assessor must note the refusal on the assessment book opposite the name of such person, corporation, association or partnership, and must make an estimate of the ores mined and treated or sold by such person, corporation, partnership or association and enter the same upon the assessment roll, and shall assess the same its full value.

In making the estimate of value provided for in this section, the assessor shall have power to subpœna and examine under oath any person in relation to the yield or ores treated or sold by such person, corporation, partnership or association. Every person who willfully refuses to appear and testify when requested so to do by the assessor as above provided, for each and every refusal shall be deemed guilty of a misdemeanor, and upon conviction thereof shall be punishable as in cases of other misdemeanors.

SEC. 8. If any person required by this act to make or file any statement or to verify under oath or affirmation any statement, shall willfully make such statement false in any material respect, or shall willfully verify any false statement under oath or affirmation, such person shall be deemed guilty of perjury and upon conviction thereof shall be punished as is by law provided for the punishment of perjury.

SEC. 9. The assessor at any time shall have the right and power to examine the records of any person, corporation, partnership or association engaged in mining as mentioned in these sections as the same may pertain to the yield of ore or other mineral products, in order to verify the statement made by such person, corporation, partnership or association, and if from such examination and other information he finds such statement or any material part thereof willfully false, he must assess in the same manner as if no statement had been made or delivered: *Provided, however*, The Territory or the owner of such mine or mining claim shall have the right to appeal to the district court, as provided in this act.

SEC. 10. No other tax on mines and mining claims shall be levied otherwise than as provided by this act, and the taxes mentioned in this act must be collected and the payment thereof enforced in the same manner as is provided for the collection and enforcement of other taxes, and every such tax is a lien upon the mines or mining claims from which the product or products are extracted, which lien attaches on the first day of January of each year, and the sale for delinquent taxes shall be made as provided for the sale of real estate for delinquent taxes.

SEC. 11. The duty of the assessor, the board of supervisors, and the clerk of the board of supervisors and all other officials as to the assessment of the products of mines, the statements and returns to be made, the equalization

thereof, and other official acts shall be the same, except as herein provided, as their duties now are regarding the assessment of other property, and said assessment roll of the yield of mines and mining claims shall be deemed and treated as a part of the general assessment roll of the county.

SEC. 12. In the event of the Territory or the owner of any such productive mine or mining claim being dissatisfied with the valuation fixed by the assessor or by any county board of equalization, such owner or the Territory, at the relation of the attorney-general, shall have a right to appeal from the valuation as finally fixed to the district court of the county in which said mine or mining claim is situated, in the manner provided for in paragraph 3875 (sec. 45), Revised Statutes, 1901, and subject to all the conditions and requirements of said paragraph 3875, including the prepayment of taxes, provided that in case of such appeal by the Territory, the same may be taken by serving said notice, stating such appeal upon the owner and clerk of the board of supervisors. The only issue to be tried by said court upon such appeal is whether the true average value according to quotations above mentioned was correctly found by said assessor and whether the statement rendered by the owner of said mine or mining claims or the assessment thereof of the yield of said mine or mining claims for the period covered by the statement is true and correct. Twenty-five per cent of the value as found by said court shall be the basis of taxation: *Provided, however*, That if the owner of any such productive mine or mining claim shall refuse or neglect to make and deliver under oath its statement required under this act or make any such statement required by this act willfully false, the basis of taxation shall be the full value of the yield.

SEC. 13. The valuation fixed by the assessor shall be equalized by the county board of equalization as other valuations and the same return made to the Territorial board of equalization as is made of other property.

SEC. 14. All acts and parts of acts in conflict with this act are hereby repealed.

SEC. 15. This act shall take effect and be in force from and after its passage and approval.

OTHER LEGISLATION.

Extraordinary appropriations comprised, among other things, $50,000 (to be raised by tax levy) for new buildings at the Asylum for the Insane at Phoenix; $17,500 (by tax levy) for improvements at the Territorial Industrial School at Benson; $35,000 (by tax levy) for improvements at the Northern Arizona Normal School at Flagstaff; $60,000 (by tax levy) for improvements at the Tempe Normal School; $40,000 (by tax levy) for improvements at the University of Arizona at Tucson, and $25,000 (from the general fund) and $120,000 (by tax levy), expenses for two years in constructing a new Territorial prison at Florence.

These appropriations were in addition to the usual appropriations that were made for the maintenance of the above-named institutions.

The removal of the Territorial prison from Yuma to Florence, provided for in the act making the appropriation just mentioned, was legislation in response to a public demand which had existed for more than ten years. The prison is on the extreme southwestern boundary of the Territory, and the belief had become emphatic that the institution should be more centrally located.

An act for the protection of miners provided for a uniform system of mine-bell signals in all the mines of the Territory.

An act of a voluminous nature and of general interest to the whole country was that " relating to the sale of goods." This act was passed at the instance of the Arizona members of the national organization for the promotion of the uniformity of legislation.

Altogether 102 bills became laws. Many of theses acts were general in their nature and of considerable importance.

Twenty-four bills failed to become laws for lack of executive approval.

STATEHOOD.

Pursuant to the provisions of the act of Congress of June 16, 1906, "to enable * * * the people of New Mexico and of Arizona to form a constitution and State government and be admitted into the Union on an equal footing with the original States," the voters of Arizona, at the general election of November last, cast their ballots on the question of joining New Mexico and entering the union of States.

The subject had been under general discussion in the Territory for more than two years. The debates in Congress had been followed with the keenest interest, and long before the election it was manifest that nearly all citizens had decided how they would vote, and that a heavy majority would be cast against joint statehood. The overwhelming defeat of the proposition was such a foregone conclusion that active interest in the result of the vote had, to a considerable extent, subsided before election day. The statehood question with its "yes" and "no" was on a blanket ballot that contained the names of all candidates for office, and when the ballots were counted it was found that 4,691 voters, while voting for Delegate to Congress and for county and precinct officers, had failed to vote on statehood.

The vote actually cast on the question footed up 3,141 for joint statehood and 16,262 against, or 19,406 altogether, out of a total vote of 24,097. And the total vote was considerably short of the registration, which was 32,788. To some extent, possibly, the failure of voters to mark their ballots on the statehood question was caused by lack of complete understanding of the Australian ballot. But the "Australian ballot" has been in use in this Territory for many years, and voters generally have become quite familiar with it.

Of the $150,000 appropriated by Congress for the expenses of the statehood election in the two Territories and for the expenses of the proposed constitutional convention, the sum of $25,482.88 was required for the election in Arizona.

I have no hesitation in saying that it would be exceedingly difficult to have a fairer election anywhere than was held in this Territory on the question of joint statehood.

Our law requires that the governor shall, some weeks before each election, issue a proclamation offering a reward for each case of conviction for violation of the election law. This proclamation was issued and published in every county two months before the election.

About two weeks before the election I issued a special proclamation dealing with bribery. Appreciating the fact that when bribery occurs the man who gives the bribe is usually a greater scoundrel than the man who receives it—because the giver of the bribe is generally an American and a man of some intelligence, whereas the man taking the bribe is generally ignorant, and his chief conception of the citizenship which has been conferred upon him is that it has a money value on election day—I determined to make an unprecedented effort to reach the sources of such corruption. In this special proclamation a reward of $50 was offered to every person who would testify that he had been approached with a bribe, and immunity was offered to all such persons. It was my belief that this offer would deter the bribe givers.

Several thousand copies of this proclamation, in both English and Spanish, were printed in poster form, and they were numerously posted in every precinct. It had, I believe, a salutary effect. At any rate, not a single case of bribery at that election was reported.

Although the advocates of joint statehood who had been appointed to watch the election in the several precincts had been requested to report only in case they found unfairness or fraud in the election, or unfairness, fraud, or neglect of duty by the members of the election boards, most of the men who had been so appointed reported to me in writing that the election had been eminently fair, and not one of them reported anything objectionable.

Results of Congressional Delegate and statehood election in Arizona, 1906.

County.	Registration.	Vote cast.	Per cent of registered vote cast.	Smith, Democrat.	Cooper, Republican.	Cannon, Socialist.	Ainsworth, Statehood Party.
Apache	634	492	77.6	203	251	9	16
Cochise	6,393	4,808	75.2	2,356	1,475	545	64
Coconino	1,618	1,107	68.4	562	417	16	22
Gila	2,809	1,916	68.2	906	559	391	8
Graham	3,255	2,336	71.7	1,159	853	256	26
Maricopa	4,782	3,853	80.5	1,868	1,545	150	81
Mohave	800	641	80.1	364	107	82	34
Navajo	926	696	75.1	367	223	19	44
Pima	3,206	2,387	74.4	755	1,368	85	55
Pinal	724	575	79.4	270	243	15	2
Santa Cruz	892	675	75.6	353	215	12	37
Yavapai	5,169	3,416	66.0	1,560	1,179	374	73
Yuma	1,580	1,195	75.6	378	474	124	46
Total	32,788	24,097	73.5	11,101	8,909	2,078	508

County.	Total vote for Delegate.	Smith plurality.	Cooper plurality.	Joint statehood.		Majority against statehood.	Total vote on statehood.
				Yes.	No.		
Apache	479	.....	48	127	220	93	347
Cochise	4,440	881	.....	609	3,445	2,836	4,054
Coconino	1,017	145	.....	126	715	589	841
Gila	1,864	347	.....	92	1,568	1,476	1,660
Graham	2,294	306	.....	400	1,427	1,027	1,827
Maricopa	3,644	323	.....	394	3,027	2,633	3,421
Mohave	587	257	.....	92	417	325	509
Navajo	653	144	.....	142	438	296	580
Pima	2,263	.....	618	456	1,178	722	1,634
Pinal	580	27	.....	24	408	384	432
Santa Cruz	617	138	.....	117	400	283	517
Yavapai	3,186	381	.....	305	2,404	2,099	2,709
Yuma	1,022	.....	96	257	618	361	875
Total	22,596	2,949	757	3,141	16,265	13,124	19,406

Nearly a year has passed since that election, and I deem it my duty to report the fact that public sentiment in Arizona is even stronger against joint statehood with New Mexico than it was last year.

Respectfully submitted.

JOSEPH H. KIBBEY,
Governor of Arizona.

The SECRETARY OF THE INTERIOR.

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